

## Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 PM-07 INR-10 L-03 ACDA-19

NSAE-00 PA-04 RSC-01 PRS-01 SP-03 USIA-15 TRSE-00

SAJ-01 SS-20 NSC-07 DRC-01 /118 W

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R 131820Z JUN 74

FM USMISSION NATO

TO SECSTATE WASHDC 6303

SECDEF WASHDC

INFO USNMR SHAPE

USCINCEUR

USLOSACLANT

CINCLANT

CONFIDENTIAL USNATO 3351

E.O. 11652: ADS, 12-31-76

TAGS: MCAP, NATO

SUBJECT: FUNCTIONAL AND REGIONAL ANALYSIS OF DEFENSE EXPENDITURES:

EXPERTS MEETING JUNE 20/21

REF: USNATO 3291

1. AGENDA FOR JUNE 20/21 EXPERTS MEETING ON DATA REQUIREMENTS  
FOR A FUNCTIONAL AND REGIONAL ANALYSIS OF DEFENSE EXPENDITURES  
FOLLOWS:

MEETING WITH EXPERTS TO BE HELD AT NATO  
HEADQUARTERS, BRUSSELS, ON THURSDAY, 20TH JUNE, 1974  
AT 9:30 A.M. AND 3:00 P.M. AND FRIDAY, 21ST JUNE, 1974  
AT 9:30 A.M.

AGENDA

I. DATA REQUIREMENTS FOR A FUNCTIONAL ANALYSIS OF DEFENSE  
EXPENDITURES FOR AD(70) PURPOSES

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DOCUMENTS: AC/281(DR)-N(73)1 AND ADDENDUM

AC/281(DR-WP(74)2

REFERENCE: AC/281(DR)-DS(74)6, ITEM II

(A) AVAILABILITY OF DATA FOR PRESENTING DEFENSE EXPENDITURES

ON A FUNCTIONAL BASIS:

(I) THE DATA CURRENTLY IN USE FOR NATIONAL SYSTEMS;  
(ONE OR MORE PRESENTATIONS OF SYSTEMS IN USE  
NATIONALLY).

(II) POSSIBLE FUNCTIONAL BREAKDOWN OF DEFENSE EXPENDITURE  
FOR AD(70) PURPOSES, TAKING INTO ACCOUNT EXPERIENCE  
GAINED FROM USE AT NATIONAL LEVEL. COMMENT:  
CHAIRMAN HOPES US WILL MAKE AN INFORMAL PRESENTA-  
TION ON THIS POINT. END COMMENT.

(B) THE FUNCTIONAL GROUPING THAT WOULD BOTH CORRESPOND TO  
AD(70) REQUIREMENTS AND BE WITHIN THE LIMITS OF  
FEASIBILITY AS FAR AS THE AVAILABILITY OF THE FINANCIAL  
DATA IS CONCERNED.

(I) THE POSITION REACHED CONCERNING THE FUNCTIONAL  
GROUPING OF MAJOR EQUIPMENT EXPENDITURE DEVELOPED  
FOR THIS YEAR'S SPRING AD(70) REPORT (DPC/D(74)9).

(II) SPECIFIC PROBLEMS RELATING TO:

- THE ALOCATION OF OPERATING AND MAINTENANCE  
COSTS BY FUNCTION AND THE USE OF MANPOWER DATA;

- THE ALLOCATION OF CAPITAL COSTS BY FUNCTION;

- R & D

(III) THE INTERFEACE OF A FUNCTIONAL BREAKDOWN OF  
DEFENSE EXPENDITURE FOR AD(70) PURPOSES WITH  
DATA SYSTEMS CURRENTLY IN USE OR UNDER CONSIDERA-  
TION (E.G. THE NATO DPQ'S, THE NATO GROUND FORCES  
DATA BASE FOR MBFR).

(C) MAIN POINTS THAT MIGHT MERIT FURTHER STUDY. END AGENDA.  
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2. MISSION HAS LEARNED ITALY IS PLANNING TO SEND A NATIONAL EXPERT.

3. INFORMAL DISCUSSION WITH CHAIRMAN INDICATES THAT ONE OF KEY  
POINTS OF MEETING COULD BE QUESTION OF WHETHER OR NOT PURSUIT  
OF A NATO FUNCTIONAL ANALYSIS OF DEFENSE EXPENDITURES IS A  
WORTHWHILE ENDEAVOR. RECOMMEND WASHINGTON PARTICIPANTS HAVE  
A US POSITION ON THIS QUESTION.

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<< END OF DOCUMENT >>

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